

**DECISION RECORD AND FINDING OF NO SIGNIFICANT IMPACT**  
**Anadarko Exploration and Production Company**  
**Atlantic Rim Natural Gas Project**  
**Red Rim Pod Environmental Assessment**  
**No. WY-030-04-EA-055**

**INTRODUCTION**

Anadarko Exploration and Production Company (AEPC) has proposed to explore and develop coalbed natural gas wells in the Red Rim Pod Project Area (RRPA) within the boundaries of the Atlantic Rim Natural Gas Project Area (ARPA) located in Carbon County, Wyoming. The RRPA is located, partly on federal surface estate with federal mineral estate administered by the Bureau of Land Management (BLM), Rawlins Field Office (RFO), and partly on private surface with private mineral estate. The proposed project is part of the exploratory drilling activities under consideration for the acquisition of data necessary to prepare the ARPA Environmental Impact Statement (EIS).

The Red Rim Pod project consists of the drilling, completing, and producing of a total of 16 exploratory coalbed natural gas wells, the use of two deep injection wells, construction, maintenance, and use of appurtenant access roads, pipeline and utility corridors, and a compressor station. Of the 16 wells, 8 have already been drilled on private lands within the RRPA. The RRPA encompasses approximately 3,200 acres. The life of the project is estimated to be from 10 to 20 years. The RRPA is located in Township 20 North, Range 89 West, in Carbon County, Wyoming. Access to the RRPA is provided by Carbon County Road 605 (Sixteen Mile Road), from Rawlins, Wyoming. The RRPA is located approximately 8 miles south of Rawlins.

**ALTERNATIVES CONSIDERED**

The Environmental Assessment (EA) for the Red Rim Pod assessed three alternatives. For the proposed action and alternative 2, drilling within the Red Rim area would develop over a 6- to 12-month period. Wells would be tested when completed; however, an estimated 6 to 12 months of continuous producing status in the Red Rim area would be needed to fully evaluate the economics of any additional development. The life of the project is estimated at between 10 and 20 years. The productive life of a shallow gas well completed in coals in the Mesaverde Group is estimated to be 15 years.

**Proposed Action**

This alternative is described in detail in Chapter 2 of the Red Rim Environmental Assessment, beginning on page 2-1, section 2.1. Of the eight proposed well locations, five wells would be located on surface ownership lands administered by the BLM, RFO, and would develop federal minerals. One proposed well would be located on surface ownership lands administered by the RFO and would develop minerals owned by the State of Wyoming. The remaining two proposed wells would be located on fee lands and would develop fee minerals. The proposed water injection wells, zeolite water conditioning facilities, surface discharge outfalls, and compressor station all would be located on fee lands. Associated gas and water pipelines would be located on both federal and private lands.

**Alternative 2 - Injection of Produced Water from Federal Wells with Limited Beneficial Use**

This alternative is described in detail in Chapter 2 of the Red Rim Environmental Assessment, beginning on page 2-27, section 2.2. Alternative 2 was developed to respond to the effects of surface discharge of produced water on surface resources and uses. The BLM formulated this alternative for federal wells to assess the disposal of produced water by injection instead of surface discharge. Other than the differences described below, Alternative 2 is the same as the Proposed Action. Under Alternative 2, almost all the produced water from the proposed federal wells in

sections 20 and 28 within the Project area would be injected. A small portion of the water produced from gas wells (about 5 gallons per minute at each location identified on **Figure 2-1**) would be dispensed for use by livestock. Water would be piped into self-contained tire tanks that would not discharge produced water into drainages. A water management plan that would apply to Alternative 2 is included as **Appendix E** in the EA.

Produced water from non-federal gas wells in sections 16, 21, and 29 would be discharged to ephemeral draws on fee lands in compliance with an NPDES permit approved by WDEQ. Gathering lines would carry produced water from non-federal wells to a water conditioning facility and two outfalls located on fee lands in the NE¼ of section 21. Two outfalls would be used in order to dissipate the energy of flows and reduce potential erosion of the channel by spreading out the volume of water entering the drainage over two locations. Alternatively, produced water would also be disposed of by re-injection along with water from federal wells. Injection wells would be located in sections 21 and 29 (AR Fee 21I in the NE¼ of section 21, and AR Fee 29I in the NE¼ of section 29) to dispose of the waste stream from the conditioning facility, and to inject any other produced water from private wells and all produced water from the federal wells.

### **No Action Alternative**

The “No Action” alternative assessed the effects of not implementing any portion of the proposal. Under the No Action Alternative, the BLM would consider additional APDs and ROW actions for federal lands on a case-by-case basis, consistent with the scope of existing environmental analysis. Additional gas development may occur on state and private land under APDs approved by the Wyoming Oil and Gas Conservation Commission.

### **Alternatives Considered But Not Analyzed in Detail**

There is a detailed discussion of alternatives considered but not analyzed in detail in the EA at section 2.4, page 2-29. Basically several alternative pipeline routes were considered and assessed preliminarily, however only one route was assessed in the EA under any of the alternatives. Within the scope and purpose and need for this project, no other unresolved conflicts involving alternative uses of available resources were identified for assessment.

### **DECISION**

Based upon the analysis of the potential environmental impacts described in the EA and in consideration of the public, agency, and industry comments received for the environmental assessment, the Authorized Officer has selected for implementation Alternative 2, modified for no surface discharge of produced water. A small portion of the water produced could be dispensed through closed watering systems for livestock and wildlife use, as detailed in the EA. All other produced water would be disposed of through the water injection wells. The decision incorporates the following:

1. Master Surface Use Plan (Appendix C of this Decision Record) - The master Surface Use Plan attached to this Decision Record has been modified by removing any reference to surface discharge.
2. Project-Wide Mitigation Measures and Procedures (part of Appendix C of this Decision Record)
3. Master Drilling Plan and its exhibits (Appendix C of this Decision Record)
4. Conditions of Approval (Appendix D of this Decision Record)

The Water Management Plan is not included in this decision.

## APPROVED PROJECT COMPONENTS

- € Development of eight exploratory coalbed natural gas wells within the RRPA
- € Completion of two deep water injection wells
- € Construction of new access roads and facilities associated with coalbed natural gas development, including water and gas gathering pipelines, and power lines buried parallel and adjacent (where possible) to access roads \*
- € Discharge of produced water to closed livestock and wildlife watering systems
- € Construction of gas compression and sales pipeline facilities \*

\* The Master Surface Use Plan, Appendix C of this Decision Record, states, "This MSUP is intended to serve as the ROW pre-application for the gas lines, water lines, access roads to well locations, and electric lines in the pod. A more detailed Plan of Development will be submitted with each application" (page 38) this requirement also applies to the gas compressor.

## RATIONALE FOR DECISION

The decision to approve the operator's proposed development was based upon the following factors:

1. Consistency with the Great Divide Resource Management Plan
2. National policy
3. Agency statutory requirements
4. Relevant resource and economic considerations
5. Application of measures to avoid or minimize environmental harm
6. Public comments
7. Consistency with the purpose and need for action

### 1. Consistency with Resource Management Plans

The proposed action is in conformance with the planning direction developed for this area. The objective for oil and gas management decisions described in the Great Divide Resource Management Plan (1990) is to "provide for leasing, exploration, and development of oil and gas while protecting other resource values."

### 2. National Policy

Private exploration and development of federal oil and gas leases is an integral part of the Bureau of Land Management's oil and gas leasing program, under the authority of the Mineral Leasing Act of 1920 and the Federal Land Policy and Management Act of 1976. The United States continues to rely heavily upon foreign energy sources. Oil and gas development reduces the United States' dependence upon foreign energy supplies. The decision is consistent with national policy.

### 3. Agency Statutory Requirements

The decision is consistent with all federal, state, and county authorizing actions required to implement the proposed action. All pertinent statutory requirements applicable to this proposal were considered.

#### **4. Relevant Resource and Economic Considerations**

Environmental impacts from the pilot project to resources as identified in the EA are minor and deemed acceptable. Positive economic benefits are expected from this proposal. This project will allow increased knowledge of geologic, natural gas, and environmental conditions.

#### **5. Application of Measures to Avoid or Minimize Environmental Harm**

Federal environmental protection laws such as the Clean Air Act, the Clean Water Act, and the Historic Preservation Act, apply to all lands and are included as part of the standard oil and gas lease terms. Adoption of mitigations, conditions of approval, and other protections are included as part of the effort of complying with oil and gas lease terms. The mitigation and monitoring measures identified in the project EA and its appendices represent the best means to avoid or minimize environmental impacts.

#### **6. Public Comments**

The BLM requested comments on this EA from the public, local landowners; and federal, state, county, and local agencies. The BLM issued a news release with a brief summary of the proposed action, location of the project, and information about how the public could comment. A total of 32 copies of the EA were mailed out in response to requests by public, industries, or agencies via mail, phone, and walk-in visits. In addition, the EA and its appendices and reference documents were posted on the BLM Wyoming internet site for review and downloading. The comment period ran from December 23, 2003, to January 26, 2004. A total of seven comments were received by the BLM. The summarized comments and BLM's responses are found in Appendix B of this document. Corrections and supplemental data for the EA are found in Appendix A.

#### **7. Consistency with the Purpose and Need for Action**

The need for this proposal is to allow the Applicant to drill and test for commercial natural gas resources in coal bearing formations within their lease holdings. Determination of production potential would allow the Applicant to decide how and if to develop natural gas resources within the area. Developing natural gas is an important element of the nation's energy program and is used through out the country's economy including for heating, electrical generation, plastics, and fertilizer production. The Secretary of the Interior has entered into a contract (lease) with the Applicant that gives them the "exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas" within the lease.

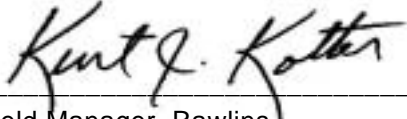
### **FINDING OF NO SIGNIFICANT IMPACT**

Based on the analysis of potential environmental impacts contained in the Red Rim Pod EA, with implementation of the protective measures found in its appendices, and comments received from public review, I have determined that the impacts from this project will not be significant and an environmental impact statement is not required.

### **APPEAL**

Under BLM regulation this decision is subject to appeal. Under BLM regulation, this decision is subject to administrative review in accordance with 43 CFR 3165. Any request for administrative review of this decision must include information required under 43 CFR 3165.3(b) (State Director Review), including all supporting documentation. Such a request must be filed in writing with the State Director, Bureau of Land

Management, P.O. Box 1828, Cheyenne, Wyoming 82003, within 20 business days of the date this Decision Record is posted to the Bureau of Land Management's internet site at: <http://www.wy.blm.gov/nepa/nepadocs.htm>.



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Field Manager, Rawlins

April 30, 2004

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Date